



Charles W. Chiampou, CPA, JD
Robert J. Travis, CPA
Kelly G. Besaw, CPA, CVA
Eugene G. Kershner, CPA
D. Scott Sutherland, CPA
Stephen R. Brady, CPA, JD
Jon K. Pellish, CPA
Eric D. Colca, CPA, CVA
Michael Schaffstall, CPA
Garret R. Alexin, CPA, MBA
Cheryl A. Jankowski, CPA
Karen M. Antonelli, CPA, CCIFP
Donald W. Campagna, CPA, MBA

PERSONAL & CONFIDENTIAL

December 5, 2018

Ms. Jenine Dunn
Board Chairman
Community Action Organization of WNY
45 Jewett Avenue Suite 150
Buffalo, NY 14214

Dear Ms. Dunn:

This letter sets forth the terms and objectives of this professional services engagement between Chiampou Travis Besaw & Kershner LLP (Chiampou) and Community Action Organization of WNY ("CAO" or "the Organization"), hereafter referred to as the "Engagement."

We will provide the professional services of Kelly G. Besaw, CPA, CVA, Matthew J. DeVincentis, CPA and other individuals associated with Chiampou, as necessary, to perform procedures over the Head Start and Early Head Start Program grants to determine if cash was used in according with grant provisions. We will also review other expenditures incurred by the organization relating to programs where grants were not received, to determine where the money came from (indirect funds or other grants). Our Engagement will consist of issuing a written report summarizing the procedures, results and conclusion.

We will continue the Engagement upon receipt of this signed engagement letter. Additional activities such as meetings will take place at mutually agreeable dates and time.

In performing our Engagement, we may rely in part on the accuracy and reliability of information you will provide to us. We will not express an opinion or any other form of assurance on this information. Our engagement cannot be relied upon to disclose errors, fraud, or other illegal acts that may exist.

Our Engagement will be based on and subject to the following assumptions and limiting conditions:

1. Information, estimates and opinions contained in any reports and testimony, if required, are obtained from sources considered to be reliable. However, we assume no liability for such sources.
2. Possession of any reports or copies thereof, does not carry with it the right of publication of all or part of it, nor may it be used for any purpose other than in connection with the case without the previous written consent of us and, in any event, only with the proper attribution.
3. The conclusions presented in any reports apply to this Engagement only and may not be used out of the context presented herein. The reports are valid only for the purpose or purposes specified herein.
4. The reports will contemplate facts and conditions existing as of their date.
5. We have assumed that there is full compliance with all applicable federal, state, and local regulations and laws unless otherwise specified in the reports.

The Engagement will be conducted under the direction of Kelly G. Besaw, CPA, CVA. Neither the professionals who work on this engagement, nor the partners of Chiampou have any present or contemplated future interest in the parties, any personal interest with respect to the parties involved, or any other interest that might prevent us from performing an unbiased analysis. Our compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of any reports or testimony.

At our sole discretion, we may include additional assumptions and limiting conditions in our reports.

In order to enable Chiampou to fulfill its obligations under the Engagement you agree to make available, at no cost to Chiampou, all information in your possession and all information prepared by you and your advisors, consultants, accountants and attorneys necessary for the fulfillment of the Engagement. Chiampou and you agree that all data and information supplied to Chiampou in the Engagement and all data, reports, documents and related materials developed by Chiampou shall be confidential and not disclosed to anyone other than yourself without prior notification to you or your client, and except as required in connection with any legal proceeding. Confidentiality shall survive the termination of the Engagement.

In entering into this Engagement, you agree to and accept the following:

1. You will fully cooperate with Chiampou in connection with the Engagement and provide Chiampou with access to all necessary information in your possession upon advisement of need at no cost to Chiampou.
2. You will indemnify and hold harmless Chiampou, its affiliated entities, directors, officers, employees, legal counsel, agents and controlling persons of Chiampou within the meaning of the federal securities laws against any and all losses, claims, damages, liabilities or costs, including the cost of investigating, preparing or defending any such action or claim, whether or not in connection with litigation in which Chiampou is a party, as and when incurred, directly or indirectly, caused by, relating to, based upon or arising out of Chiampou acting in this Engagement; provided, however, such indemnity agreement shall not apply to any such loss, claim, damage, liability or cost to the extent it is judicially determined to have resulted from gross negligence or willful misconduct of Chiampou. If any action, proceeding or investigation is commenced as to which Chiampou proposes to demand such indemnification, it will notify you with reasonable promptness; provided, however, that any failure by Chiampou to notify you or your client(s) will not relieve you from your obligations hereunder, unless the failure to give such notice shall prejudice you.
3. In the event any amount due hereunder is not remitted as due, we may cease providing services, including not providing testimony, if required, and you agree that our cessation under that circumstance is not a violation of this agreement.
4. In the event any amount due hereunder is not paid when due, you shall pay to Chiampou all reasonable attorneys' fees and expenses and all other expenses which may be incurred by Chiampou in enforcing any of the obligations of you under this Agreement.
5. Damages, if any, arising from this Engagement are limited to the fees incurred.

Our fees will be approximately \$7,000 - \$10,000 and are based upon the actual time required to perform our analysis and prepare our report, based on the standard billing rates for the individuals assigned to the engagement. Additional services provided outside the scope of this engagement will be billed based on the hourly rates applicable to the staff assigned to the project and the hours worked. Currently, the billing rates for our professional staff are as follows:

| | |
|---------|---------------|
| Partner | \$300 |
| Manager | \$145 |
| Senior | \$120 - \$130 |
| Staff | \$95 - \$105 |

We will invoice you on a monthly basis for time expended in this Engagement. Payment is due upon receipt. The Engagement will terminate upon notice by you, at which time, all outstanding fees under this Engagement will be due.

We appreciate this opportunity to be of service to you. If you agree with the foregoing terms, please sign one copy of this letter and return it to us in the envelope provided.

Very truly yours,

Chiampou Travis Besaw & Kershner LLP

Chiampou Travis Besaw & Kershner LLP

Response:

This letter correctly sets forth the understanding of:

Community Action Organization of WNY

Signature *Jemine Dunn*

Title *Chairperson*

Date 12/6/18